

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6616

BILL NUMBER: SB 269

NOTE PREPARED: Mar 30, 2009

BILL AMENDED: Mar 26, 2009

SUBJECT: Various Public Safety Matters.

FIRST AUTHOR: Sen. Arnold

FIRST SPONSOR: Rep. Tinch

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill does the following.

Designation Card The bill establishes a designation card for certain police and firefighters to be issued by the Bureau of Motor Vehicles (BMV) after December 31, 2009, and establishes a fee for an original or replacement designation card to be collected by the BMV.

Emergency Management Contingency Fund. This bill specifies the manner of approval for allocations from the Emergency Management Contingency Fund.

Designees. It allows certain members of (1) the Homeland Security Foundation and local emergency planning committees to appoint designees for a specified meeting. It also allows certain members of the Board of Firefighting Personnel Standards and Education to appoint designees.

Amusement and Entertainment Permits. It provides that all amusement and entertainment permits expire one year after the date of issuance.

Disaster Relief Fund. The bill makes certain changes relating to who is eligible to receive financial assistance from the Disaster Relief Fund.

Counterterrorism and Security Council. The bill adds the chief information officer of the Office of Technology as a voting member of the council. It also adds the (1) Minority Leader of the Senate, or the Minority Leader's designee; and (2) Minority Leader of the House of Representatives, or the Minority Leader's designee; as nonvoting members of the council.

Amusement and Entertainment Permits. The bill provides that all amusement and entertainment permits expire one year after the date of issuance.

Statewide Arson Investigation Financial Assistance Fund. The bill transfers money in the fund to the Fire and Building Services Fund. It repeals provision that establishes the Statewide Arson Investigation Financial Assistance Fund.

Effective Date: Upon Passage; July 1, 2009.

Explanation of State Expenditures: (Revised) *Designation Card.* The bill requires the BMV to design and issue a designation card to public safety employees who meet certain conditions. An individual who is a public safety employee on December 31, 2009, must apply for the card before April 1, 2010. An individual who becomes a public safety employee after December 31, 2009, must apply for the card not more than ten days after the individual is employed with a fire department, police department, or sheriff's department. Currently, the Indiana Code does not require or mandate identification cards for police officers and firefighters.

For the BMV, there will be an expense to produce the designation card, estimated between \$2.0 M and \$2.5 M. This would include both hardware and software development. The BMV reports, through L-1 Identify Systems (the contractor that produces the current driver's licenses and identification cards), that the current system is not capable of producing the required designation cards without significant changes. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Representatives of the Indian Fraternal Order of Police and the Indiana Professional Firefighters Union have indicated that police and fire departments currently issue their own individual identification cards or badges, with many differentiating between the various categories of employees of the particular department. Currently, volunteer firefighters are required to be rostered (i.e., listed on a roster of membership of a particular department, with a requirement that the roster must be submitted to the State Fire Marshal). Issuance of identification cards and badges for volunteer firefighters varies throughout the state.

As of March 30, 2009, the BMV had 17 budgeted vacant positions, with annual salaries totaling \$452,218. In FY 2008, the BMV reverted \$542,550 from its main operating account.

Emergency Management Contingency Fund. The fund consists of money appropriated by the General Assembly. Under current law, money in the fund must be held in reserve and allocated for emergency management purposes upon recommendation of the director of the Department of Homeland Security (DHS), the approval of the Governor, and the Budget Committee. The proposal provides that an allocation of not more than \$100,000 can be approved by the director and the budget director. Allocations of more than \$100,000 must have the recommendation of the director and the approval of the Governor and the Budget Agency. This change is procedural and should not have a significant fiscal impact.

Designees. Allowing voting members to appoint designees of the same political party as the voting members should not have an impact.

Amusement and Entertainment Permits. The bill provides that permits issued after June 30, 2009, expire one year after the date of issuance. This provision will not have a significant impact. Currently, permits expire after one year; however, the expiration date is the same for all permits. Providing that the permits expire after one year could allow more time for the processing of applications for renewal and inspections.

Disaster Relief Fund. The bill makes certain changes relating to who is eligible to receive financial assistance from the Disaster Relief Fund. This change is a technical change and has no fiscal impact.

Counterterrorism and Security Council. The bill adds the chief information officer of the Office of Technology as a voting member of the council. It also adds the (1) Minority Leader of the Senate, or the Minority Leader's designee; and (2) Minority Leader of the House of Representatives, or the Minority Leader's designee; as nonvoting members of the council. The provision will add no additional expense for the DHS which provides staff for the committee. However, legislative members will be paid from state General Fund moneys that are appropriated to the Legislative Council and the Legislative Services Agency. Legislative per diem and mileage reimbursement costs are estimated at \$5,000 per year.

The council meets monthly in Indianapolis. Assuming that legislative members travel 100 miles round trip to the meeting, mileage expenses would equal \$1,320 annually. Per diem expenses would equal \$3,312 for an annual total of 4,632.

Statewide Arson Investigation Financial Assistance Fund. The bill transfers money in the fund to the Fire and Building Services Fund. It repeals provision that establishes the Statewide Arson Investigation Financial Assistance Fund. Currently the assistance fund contains about \$17,000 which has not been used. The Insurance Commissioner and the Fire Marshal needed to draft rules before money in the fund could be used. Complications in the rule making process have resulted in the money in the fund not being used. Rules still need to be drafted.

(Revised) *Penalty Provision.* The bill provides for a Class D felony, which is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor, depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,287 in FY 2008. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was \$69,223. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: (Revised) *Designation Card.* The fee for an original or duplicate designation card is \$10, and the fee for a lost or stolen card is \$3. There are approximately 42,000 public safety employees in the state. Based upon this number, initial revenue would amount to \$420,000 in FY 2010. The fund affected is the MVHA.

(Revised) *Penalty Provision:* If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 (for a Class C infraction) or \$120 (for a Class D felony) would be assessed, 70% of which would be deposited in the state General Fund if the case

is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: *Designees.* Allowing a local emergency planning committee member to appoint a designee of the same political party as the committee member should have little, if any, impact on local expenditures.

(Revised) *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: (Revised) *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee (for a Class C infraction) or \$120 (for a Class D felony) that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: DHS; DOC.

Local Agencies Affected: Counties, municipalities, and townships; Trial courts, local law enforcement agencies.

Information Sources: Mara Synder, DHS, 233-5341; Tom Hanify, President Indiana Professional Firefighters Union 317-450-1381; Leo Blackwell, President, Indiana Fraternal Order of Police, 317-634-4356; Rusty Goodpaster, Director, Indiana Law Enforcement Training Academy, 317-837-3229; Charales Braun, Chief legal counsel of Indiana Law Enforcement Training Academy, 317-839-5191; Indiana Sheriffs' Association, DOC; Steve Buschmann, attorney, 317-686-4773; Sarah Meyer, Legislative Liaison, BMV, 317-232-1962; Monty Combs, Chief Financial Officer, BMV, 317-234-1910.

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